

# Fairstone Passive Model Portfolio 4 Powered by Vanguard

## Investment Aim

The portfolio is designed to provide risk adjusted returns. It aims to achieve capital appreciation and reduce investment risk through diversification across asset classes and geographies.

This portfolio is managed to maximise risk adjusted returns within a target volatility range of 6.5% and 10% over rolling 10-year time periods. This is not guaranteed, and actual volatility may fluctuate outside of these boundaries.

Ranking the risk on a scale of between 1 and 10, where 1 is the lowest, we place this portfolio as 4.

## Investment Growth

Time Period: 01/04/2021 to 31/03/2026



— Fairstone Passive Model Portfolio 4 Powered by Vanguard 16.4% — IA Mixed Investment 20-60% Shares 17.9%

### Cumulative Performance

	1 Year	3 Years	5 Years
Fairstone Passive Model Portfolio 4 Powered by Vanguard	9.01%	20.97%	16.40%
IA Mixed Investment 20-60% Shares	8.95%	21.89%	17.87%

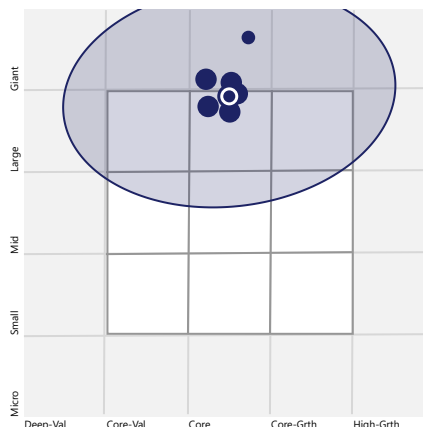
### Calendar Year Returns

	YTD	2025	2024	2023	2022	2021
Fairstone Passive Model Portfolio 4 Powered by Vanguard	-0.51	10.53	5.16	7.90	-11.85	6.12
IA Mixed Investment 20-60% Shares	-0.98	10.24	6.18	6.86	-9.67	6.31

## Portfolio Overview

Portfolio Manager	Vanguard
Investment Universe	Open Ended Funds
Yield	3.07%
Portfolio Start Date	20/05/2019
Ongoing Fund Costs	0.08%
DFM Fee	0.20%
Total Portfolio Charge	0.28%

## Investment Style Map



## Risk Scale

4

Target 10 Year Volatility

This portfolio is managed to maximise risk adjusted return within a target volatility range of between 6.5% and 10.0% over a rolling 10-year time periods. This is not guaranteed, and actual volatility may fluctuate outside of these boundaries.

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## Investment Adviser's Market Commentary



### Investment Adviser

Vanguard

A turbulent start to 2026 was marked by rising geopolitical tensions, shifting trade policy and growing unease about the impact of AI on businesses. Global economic activity remained weak as uncertainty weighed on growth. Inflation continued to ease in the UK and the US, although the inflationary effects of the Middle East conflict had yet appeared in official data during the period. The conflict has increased the risk of weaker global growth and renewed inflation pressures. Against this backdrop, central banks adopted a cautious tone, with the European Central Bank (ECB), the Bank of England (BoE) and the US Federal Reserve (Fed) all signalling a wait-and-see approach at their March meetings.

In the UK, economic growth remained subdued. The economy expanded by 0.1% in Q4 2025, matching Q3's weak pace, as services activity stagnated. The labour market remained subdued with the unemployment rate remaining at 5.2% in January, after edging up to 5.2% in December. Headline inflation eased, with the headline Consumer Price Index (CPI) falling to 3.0% in February, while core CPI (excluding food and energy prices) held at 3.2%. Despite weak growth and falling inflation in the UK, the BoE held rates at 3.75% and adopted a more hawkish tone amid concerns that elevated energy prices linked to Middle East tensions could reignite inflation.

In the euro area, economic growth slowed to 0.2% in Q4, slightly below expectations of 0.3%. German growth was supported by late-2025 government spending, while political turmoil weighed on France until its February budget boosted confidence. Euro area inflation picked up to 2.5% in March, driven mainly by higher energy prices, while underlying pressures eased, with core inflation edging down to 2.3%. The ECB left rates unchanged at 2.0% and signalled caution on future cuts.

US growth slowed sharply to 0.2% in Q4, which was down from 1.1% in Q3, as the government shutdown hurt economic activity. Unemployment held steady at 4.4% in February, unchanged from December. The Fed's preferred measure of inflation, the core Personal Consumption Expenditure (PCE) Price Index (excluding food and energy prices), rose slightly to 3.1% in January, reflecting persistent price pressures. The Fed kept rates unchanged in March as it balanced slowing growth against stubborn inflation.

## Vanguard Capital Markets Model

The Vanguard Capital Markets Model Team researches, develops, and maintains a suite of powerful analytical models and tools. At the heart of them is the Vanguard Capital Markets Model (VCMM), a proprietary financial simulation engine that simulates returns for a wide range of asset classes.

The VCMM is designed to enable clients to make asset allocation decisions as well as help build portfolio solutions.

The team uses the VCMM to create dynamic, time-varying portfolios that change their asset allocations in response to the model's forecasts. These time-varying portfolios are designed to target a specific return, target a risk range or seek to maximise returns.

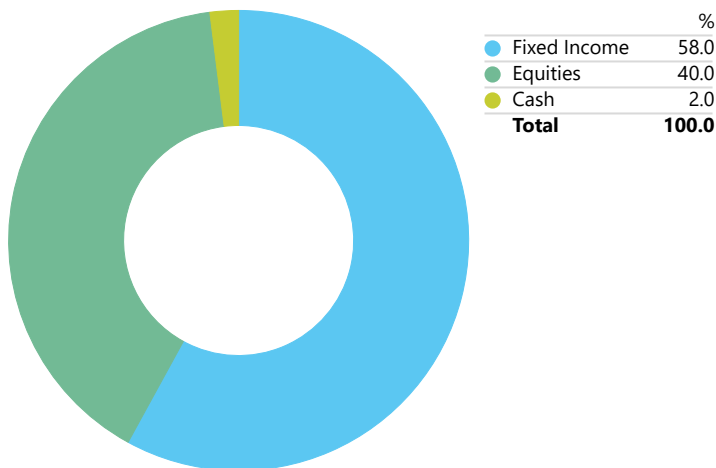
Vanguard has extensive experience in building portfolio solutions. For more than ten years, Vanguard has used these analytical models to construct portfolios for its Institutional Advisory Services group, which manages in excess of USD 40bn in AUM, as of 31 December 2018.

Source: Vanguard

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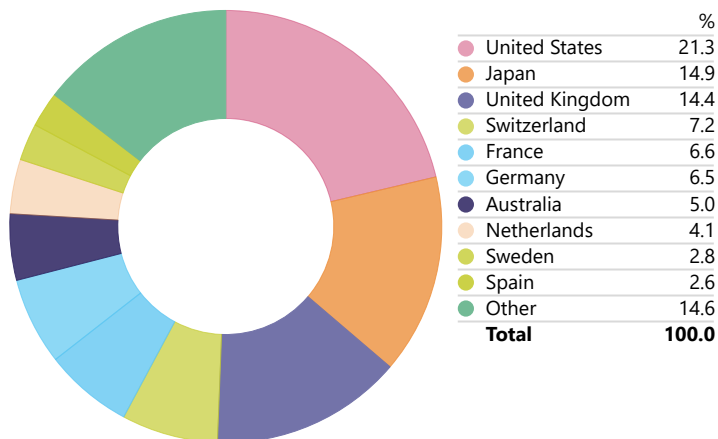
## Asset Allocation

Portfolio Date: 10/02/2026



## Equity Breakdown

Portfolio Date: 31/03/2026



## Portfolio Breakdown

	Sub Asset Class	Portfolio Weighting %
<b>Fixed Income</b>	—	<b>58.0</b>
Vanguard Glb Bd Idx Ins Pl £ H Acc	Global Fixed Income	30.2
Vanguard UK Govt Bd Idx Ins Pl £ Acc	UK Gilts	18.5
Vanguard UK Inv Grd Bd Idx Ins Pl £ Acc	UK Corporate Bonds	9.3
<b>Equities</b>	—	<b>40.0</b>
Vanguard FTSE Dev €pe exUKEqldxInsPl£Acc	European Equity	14.8
Vanguard U.S. Eq Idx Ins Pl £ Acc	US Equity	8.0
Vanguard Jpn Stk Idx Ins Pl £ Acc	Japanese Equity	6.2
Vanguard FTSE UKAllShrldxUnitTrInsPl£Acc	UK Equity	6.0
Vanguard Pac exJpn Stk Idx Ins Pl £ Acc	Asia Pacific Equity	3.0
Vanguard Em Mkts Stk Idx Ins Pl £ Acc	Emerging Markets Equity	2.0
<b>Cash</b>	—	<b>2.0</b>
Vanguard Stlg S/T Mny Mkts Ins PlsGBPACC	Cash & Money Market	1.8
CASH	Cash & Money Market	0.3

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## Target Market

Access to the portfolios is only available to investors on the recommendation of a financial adviser and it is the role of the adviser to determine the appropriateness and suitability of the portfolio to each investor's own personal needs, objectives and preferences.

**Type of investors:** Given the nature of non-complex UCITS funds the service is suitable for retail investors, professional clients and eligible counterparties. The service is predominantly designed for the use of retail investors.

**Investors' knowledge and experience:** Investors with basic, informed or advanced knowledge and experience of capital markets and investment risks and of funds and their characteristics.

**Clients' financial situation with a focus on the ability to bear losses:** Investors have a tolerance to fluctuations in capital invested and potential capital loss.

**Clients' risk tolerance and compatibility of the risk/reward profile of the product with the target market:** Due to the volatility of the markets in which the service may invest e.g. equity, bond and property markets the service has a risk and reward profile that is compatible with clients who have a risk tolerance aligned to the Investment Aim of the portfolio. Investors should be willing to accept price fluctuations in exchange for the opportunity of possible higher returns.

**Clients' objectives and needs:** Depending on the duration of the investment the portfolio may be suitable for clients who have a medium-term investment horizon (at least 5 years).

**Clients who should not invest (the 'negative-target market'):** This portfolio is deemed incompatible for clients who require full capital protection and/or are seeking on-demand full repayment of the amounts invested or who are fully risk averse/have no risk tolerance.

## Important Notices

This factsheet is for illustrative purposes only. Investments linked to this model portfolio may not exactly replicate the model portfolio described due to differences in timing of the initial investment or rebalancing differences resulting from minimum transaction size limits or fund availability on the platform or provider.

Please note that platform and financial advice fees are not included.

Where we have provided commentary on specific companies, this commentary is not investment research as defined by the Financial Conduct Authority and has not been prepared in accordance with legal requirements designed to promote the independence of research

Nothing in this document should be deemed to constitute the provision of financial, investment or other profession advice. Responsibility for assessing the suitability of financial products remains solely with the financial adviser.

The information in this document was prepared on the date shown below and is believed to be correct but cannot be guaranteed. The value of investments and the income from them can go down as well as up and investors may not recover the amount of their original investment. The sterling value of overseas investments, and the income from them, will fluctuate as a result of currency movements. Past performance is not a guide to future performance.

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**IMPORTANT:** The projections and other information generated by the Vanguard Capital Markets Model ("VCMM") regarding the likelihood of various investment outcomes are hypothetical in nature, do not reflect actual investment results, and are not guarantees of future results. VCMM results will vary with each use and over time.

The VCMM projections are based on a statistical analysis of historical data. Future returns may behave differently from the historical patterns captured in the VCMM. More important, the VCMM may be underestimating extreme negative scenarios unobserved in the historical period on which the model estimation is based.

Information within this document is correct As of 31/03/2026

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